

## SEISMIC SAFETY COMMISSION

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### Seismic Safety Commission

Minutes of Regular Meeting/Workshop - May 9 and 10, 2000

Holiday Inn Capitol Plaza

300 "J" Street

Sacramento, California

May 9, 2001

#### Members Present

Donald O. Manning, Chairman  
William L. Gates (arr. 9:12 a.m.)  
Jerry C. Chang  
Mark M. Church  
Bruce R. Clark  
Jeff Johnson  
Lawrence T. Klein  
Douglas E. Mochizuki  
Linden T. Nishinaga  
Patricia Snyder

#### Members Absent

Daniel Shapiro, Vice Chairman  
Andrew Adelman  
Senator Richard Alarcon/Chris Modrzejewski  
Scott P. Haggerty  
Stan Y. Moy  
Ashok S. Patwardhan

#### Staff Present

Richard McCarthy  
Robert Anderson

Abby Browning  
Karen Cogan  
Henry Sepulveda  
Henry Reyes  
Fred Turner

**I. CALL TO ORDER/ROLL CALL**

The meeting of the Seismic Safety Commission was called to order by Chairman Donald Manning at 9:00 a.m.

**II. CHAIRMAN'S REMARKS**

Chairman Manning welcomed all meeting attendees. He noted five commissioners' terms were expiring on May 15, and three new commissioners had been appointed. He introduced Commissioner Mark Church, from the County of San Mateo Board of Supervisors, representing local governments; Commissioner Lawrence Klein, San Francisco Public Utilities Commission; and Commissioner Linden Nishinaga, Port of Los Angeles, representing a city government perspective.

Chairman Manning noted the commissioners whose terms expire this year can continue serving for 60 days, or until mid-July, unless replaced by new appointments earlier.

**Appointment of Nominating Committee**

Chairman Manning announced the establishment of a Nominating Committee to recommend a new chair and vice chair for the Commission. He asked Commissioner Mochizuki to chair the

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committee, with Commissioners Adelman and Gates as members.

ACTION: Commissioner Snyder made a motion, seconded by Commissioner Clark, that:

*The Commission appoint the Nominating Committee as proposed by Chairman Manning.*

\* Motion carried, 9 - 0 (Commissioner Gates absent during voting).

## **APPROVAL OF MINUTES**

**April 12, 2001**

ACTION: Commissioner Chang made a motion, seconded by Commissioner Snyder, that:

*The Commission approve the minutes of the April 12 meeting as proposed.*

\* Motion carried, 9 - 0 (Commissioner Gates absent during voting).

## **IV. EXECUTIVE DIRECTOR'S REPORT**

### **FEMA Audit**

Executive Director Richard McCarthy reported that the FEMA auditors would be conducting an exit interview on May 16 to discuss their audit findings. He said FEMA questioned approximately \$400,000 in Commission billings related to preparation of the Northridge earthquake report. The staff was able to help the auditors resolve about \$103,000 of that amount.

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Mr. McCarthy said much of the remaining \$216,000 being questioned has to do with billing for commissioner time. He noted previous FEMA appeals have resulted in a recovery of \$140,000 back to the Commission and \$160,000 to the state's general fund. If FEMA determines that a refund is due, and if the Commission agrees to repay funds, Mr. McCarthy recommended using some of this year's anticipated surplus to pay that amount. He added that the Commission can also decide to appeal the FEMA finding.

Chairman Manning commended Mr. McCarthy and the staff for their outstanding work in managing the Commission's budget. He noted finding information for the audit regarding expenditures that were made by former staff members was a challenging task, and he expressed his appreciation.

Chairman Manning said he could understand why FEMA would challenge use of a daily rate for commissioner time as opposed to an hourly rate. However, he noted charges for commissioners' time on the Northridge report were part of the Commission's "soft" match for the FEMA grant; even without those expenditures, the Commission still qualified with a sufficient match. Given this set of facts, Chairman Manning questioned how FEMA could demand a cash repayment. Commissioner Snyder pointed out that commissioners' volunteer time and energy on the Northridge report was counted toward the Commission's "soft" money match, and she expressed her opinion that the Seismic Safety Commission should not have to repay anything.

Mr. McCarthy said he would be presenting commissioners with a list of priority expenditures later in the meeting, so the staff would seek direction at that time as to whether an amount should be set aside for a possible FEMA repayment or whether the Commission would await the outcome of an appeal.

## **Budget**

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Mr. McCarthy reported that the Seismic Safety Commission's budget change proposal (BCP) was approved by the Senate and Assembly. He noted the proposal includes a new office tech position, half-time salary for Mr. Reyes, \$38,000 for subcommittee meetings, and \$165,000 reimbursement authority to the Proposition 122 program for additional outreach. Mr. McCarthy added that the fate of the state budget is still uncertain due to the present power crisis.

### **BART Retrofit Status**

Mr. McCarthy reported that BART representatives met the previous week to discuss completion of the vulnerability study and the BART retrofit. The vulnerability study, expected to be completed by December, will be forwarded to the committee and PEER for review. Mr. McCarthy said another status report is due next month. He noted BART originally estimated the total cost of retrofit at about \$800 million.

### **OES All-Hazards Conference**

Mr. McCarthy noted OES will be sponsoring a three-day conference regarding formation of partnerships for reducing risks. He said the staff has additional information.

## **V. LEGISLATIVE UPDATE**

### **Commission-Sponsored Bills**

Director of Legislation Henry Sepulveda reviewed the progress of seven Commission-sponsored bills. He noted AB 184, technical amendments to the Revenue and Tax Code for residential retrofit construction, is moving ahead smoothly. Mr. Sepulveda said AB 724, regarding school

preparedness, was scheduled for a hearing that day; he said the bill is likely to be held in suspense. AB 977, replenishment of the Commission's earthquake investigations account, is moving well and expected to be approved on consent. AB 1118, regarding retrofit tax credits, was placed in suspense, typical for all bills that have a tax credit or some other fiscal impact. Mr. Sepulveda noted SB 629, regarding storage rack safety, was recently amended to provide for \$250,000 to fund a study. SB 717, a \$6 million bond act, was held in suspense. SB 998, regarding a statewide disaster recovery plan, was amended to include \$250,000 in funding for OES, and is moving forward.

### **Other Pending Legislation**

Mr. Sepulveda then reviewed other bills of interest to the Commission.

#### Hospital Seismic Safety

Mr. Sepulveda noted that the Commission adopted an "oppose unless amended" position on AB 656 at the last meeting. As originally written, AB 656 exempted Alameda County hospitals from retrofit deadlines; the amended version allows a 12-month extension of time in which retrofit work must begin to compensate for OSHPD delays in approving the plans. Mr. Sepulveda said the staff believes the change is reasonable and suggests that the Commission consider a "watch" position.

Commissioner Clark asked why Alameda County hospitals are singled out. Mr. Sepulveda responded that this particular bill addresses only Alameda County; he noted there may be other bills to address specific problems elsewhere, but they have not yet emerged. Commissioner Clark observed that there must be many hospitals in California experiencing similar problems.

Commissioner Snyder asked how long OSHPD takes to approve plans. Mr. Sepulveda answered

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that OSHPD has been experiencing a four- to six-month backlog.

ACTION: Commissioner Church made a motion, seconded by Commissioner Snyder, that:

*The Commission adopt a “watch” position on AB 656.*

Commissioner Clark expressed concern about taking a piecemeal approach to a major issue. He recommended that the Commission instead develop a consistent policy through which to assess other legislation on this issue.

Commissioner Church asked if the staff knew the status of other hospitals’ SB 1953 compliance efforts. Mr. Sepulveda noted SB 1953 imposed a 2008 and 2030 compliance deadline for all hospitals.

Commissioner Gates observed that the Commission needs to look at bills as they come up and deal with individual authors. He said the Commission’s Legislative Committee has previously taken the position that the Commission should insist that hospitals demonstrate progress before supporting legislation for time extensions. Commissioner Church said he agreed with Commissioner Gates that the Commission needs to deal with bills as they emerge. He expressed his opinion that a 12-month extension seems reasonable and supported taking a neutral “watch” position on AB 656. Commissioner Snyder added that the request seems warranted because the delays are attributable to OSHPD.

Mr. Sepulveda pointed out other legislation dealing with SB 1953. He noted the Commission opposed SB 842, which eliminated the 2008 compliance deadline; that bill was recently amended with a five-year extension to 2013. He said SB 677 is a new bill providing tax credits for costs of SB 1953 compliance; and SB 928 provides bonds to help nonprofit hospitals. Mr. Sepulveda

recommended that the Commission adopt a position consistent with its policy of requiring hospitals to demonstrate progress before allowing an extension. He noted the Commission also generally supports bonds, tax credits, and other incentives to encourage retrofit.

Commissioner Clark recommended that the Commission take a proactive, strong position on hospital seismic safety legislation, and Commissioner Klein agreed. Commissioner Clark suggested establishing a committee to develop policy recommendations in this area. Chairman Manning proposed asking the Legislative Committee to address this issue, and other commissioners agreed. Commissioner Clark pointed out that compliance with SB 1953 might be one of the biggest policy issues facing the Commission this year, in addition to Field Act issues.

Commissioner Snyder stated that SB 1953 was passed in the 1980's, so hospitals have had plenty of time to prepare to make their buildings safe. Mr. Sepulveda noted the most recent legislation imposes an ultimate deadline of 2030, a long time span.

\* Motion carried, 6 - 3 (Commissioners Clark, Johnson, and Manning opposed;  
Commissioner Gates absent during voting).

Mr. Sepulveda said the Commission staff was added to the Speaker's email list to review all bills related to hospital seismic safety issues.

There was general consensus to maintain the "oppose" position on SB 842.

Commissioner Johnson pointed out that the Commission's continued opposition will kill Senator Speier's SB 842. Commissioner Gates pointed out that the Commission needs to consider the political implications of its position and carefully spell out what amendments are needed to make the bill more acceptable. He noted Senator Speier is carrying another Commission-sponsored



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bill. He added that hospitals have been delaying retrofit for the first five years of SB 1953's implementation, and little has been done recently to strengthen buildings or take hazardous older buildings out of service.

### Field Act

Mr. Sepulveda reviewed pending legislation regarding exemptions to the Field Act. He noted that AB 1447 was amended to allow "substantial compliance" with the Field Act and DSA sign-off procedures. Staff recommends a "watch" position.

ACTION: Commissioner Klein made a motion, seconded by Commissioner Gates, that:

*The Commission adopt a "watch" position on AB 1447.*

\* Motion carried, 10 - 0.

### Design-Build Contracts

Mr. Sepulveda said AB 419 was amended to apply only to roadways, not buildings. He suggested a "watch" position might be appropriate. He noted AB 1171 was amended substantially so it is no longer a design-build bill. He suggested taking a neutral position on AB 1171 as well.

Chairman Manning asked if AB 419 dealt with bridges. Mr. Sepulveda said he was uncertain but would find out. He recommended maintaining an "oppose" position if AB 419 covered bridges. Commissioner Snyder proposed maintaining the current position pending further clarification.

### New Bills

Mr. Sepulveda drew attention to his Exhibit 3, "Other Pending Legislation." He noted the staff

recommends a “support” position on SB 677, hospital tax credits, and SB 928, state bonds for hospital retrofits.

ACTION: Commissioner Clark made a motion, seconded by Commissioner Snyder, that:

*The Commission support SB 677 and SB 928.*

\* Motion carried, 10 - 0.

Mr. Sepulveda noted SB 1402 deals with the design-build process for K-12 schools, but it includes provisions for independent plan checking and inspections. For this reason, staff recommends a neutral position.

ACTION: Commissioner Snyder made a motion, seconded by Commissioner Gates, that:

*The Commission maintain a neutral position on SB 1402.*

Commissioner Johnson asked if the Commission opposed all design-build legislation. Mr. Sepulveda explained that the Commission had opposed legislation during the last session unless amended to include the provisions for independent review and inspection. Commissioner Gates observed that the inclusion of the DSA language strengthens the bill, and the author agreed to make the amendments in response to the concerns expressed by the Seismic Safety Commission and others. He suggested that the Commission consider supporting SB 1402 at some later point.

\* Motion carried, 10 - 0.

Mr. Sepulveda drew attention ton SB 856, which would allow wagering revenues to be used for

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seismic safety improvements at satellite wagering centers. He recommended supporting the bill.

ACTION: Commissioner Gates made a motion, seconded by Commissioner Klein, that:

*The Commission support SB 856.*

\* Motion carried, 10 - 0.

Mr. McCarthy explained the staff's role in conveying legislative positions and working with authors. He noted that when the Commission takes a "support" position, staff members attend hearings and make presentations; likewise, on "oppose" positions, staff and commissioners sometimes need to testify at hearings to articulate Commission concerns. He added it is helpful in working with legislators to have concrete suggestions for counteroffers or amendments that will address the Commission's concerns.

Commissioner Church suggested that the staff work with Senator Speier and attempt to arrive at a good compromise on SB 842, extending hospital compliance deadlines.

ACTION: Commissioner Clark made a motion, seconded by Commissioner Church, that:

*The commission establish a committee to meet with Senator Speier's staff regarding amendments to SB 842 and to review other SB 1953 legislation, including collecting facts on SB 1953 compliance and OSHPD's backlog, the examining the feasibility of the 2008 deadline.*

Commissioner Gates proposed amending the motion to include legislation pertaining to the Field Act, and the maker and seconder of the motion agreed to incorporate that amendment.

Chairman Manning suggested the Commissioner Clark chair a committee with Commissioners Church, Gates, and Shapiro as members.

Commissioner Johnson expressed concern that the committee process will contribute to delays. There was general consensus among commissioners that the Commission should continue taking positions on bills in the interim.

\* Motion carried, 9 - 0 (Commissioner Nishinaga absent during voting).

## **VI. REVISIONS TO SEISMIC SAFETY COMMISSION'S WEB PAGE**

Commissioner Johnson noted the Commission approved conceptual plans and funding for the Commission's Web page last year, and he thanked Dr. Eric Frost and the staff at the San Diego State University (SDSU) for their assistance in this effort. Work on the Web site was suspended last fall when the governor imposed new statewide guidelines for Web sites. Since that time, the SDSU team has been working on making those adjustments. Commissioner Johnson recommended that the Commission hear the presentation on the Web page and consider allotting additional funds for improvements.

Dr. Rob Mellors, SDSU, reviewed the status of the Commission's Web page and discussed proposed next steps. He said the Web page was developed for a target audience of legislators, professionals, and members of the public. The Web page was seen as a vehicle for expanding the Commission's education and outreach efforts by providing a unique source of accurate information. Dr. Mellors said the SDSU team created an initial version of a Web page for the Commission, but then had to rewrite content and revise styles and templates to fit the state's new standards. He noted the Web page mimics the structure of the Earthquake Loss Reduction Plan by presenting a menu of click-on elements. Dr. Mellors cautioned that if the Web page becomes

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extremely popular, it will also become more vulnerable to hackers and viruses. He said the next steps will be to update the text, revise links, and add interactive components. Commissioner Snyder suggested including legislation as well.

Dr. Eric Frost welcomed additional ideas from the Commission. He said the SDSU team envisions getting into wireless and intranet technology as well. He noted the Web page will eventually have the capability of real-time monitoring and connections to policy-makers and user communities. Dr. Frost added that a request for additional funding is also going through university channels.

Commissioner Chang said members of the public are typically interested in information about residential retrofitting, emergency preparedness, general information on earthquakes, and soil problems. He noted it would be helpful to public the homeowner's guide on the Web page and post the regulations pertaining to hospitals. Dr. Frost thanked Commissioner Chang for his ideas. He urged the Commission to consider other possibilities such as publishing presentations made at Commission meetings, doing Webcasts, live question sessions with a commissioner or a staff geologist, and foreign language translations. Commissioner Chang suggested using a real seismograph instead of the standardized Commission logo.

Commissioner Johnson asked the staff to obtain copies of the slides used in the SDSU presentation. He recommended setting more time aside at the next meeting to discuss options. Commissioner Johnson requested that the Commission set aside some additional funds from this year's budget. He noted the Commission's funds can be leveraged and used to enhance the Web page.

Chairman Manning observed that the Commission would be discussing priorities for end-of-year expenditures, and he suggested including this item on that list. He also asked the staff to include

a discussion of the Web page on the next meeting agenda. Chairman Manning encouraged his fellow commissioners to submit their ideas for Web page content.

Commissioner Gates said he believed the Commission previously allocated \$25,000 for development of the Web page, and then authorized a supplemental appropriation. Before discussing the budget priority list after lunch, he asked the SDSU representatives and Commissioner Johnson to provide an update on past budgeted amounts and project expenditures. Mr. McCarthy stated the program is using the \$25,000 allotment now to modify the Web page; extra funds would be used to add enhancements and expand outreach.

Commissioner Johnson asked the SDSU representatives to develop cost estimates for the possible enhancements for the Commission to consider. Dr. Frost said he would provide all the information requested.

Chairman Manning thanked Dr. Frost and Dr. Mellors for their presentation.

## **VII. EARTHQUAKE LOSS REDUCTION PLAN REVISION WORKSHOP**

Chairman Manning thanked Mr. McCarthy, the staff, Commissioners Snyder and Gates, the various subcommittees, and Mr. Hallenbeck for their hard work on the *California Earthquake Loss Reduction Plan* (“Plan”) revisions. He suggested that commissioners focus comments and suggestions on substantive issues rather than wordsmithing and editing changes. He noted the Commission can approve the document at this meeting and authorize final printing.

Mr. McCarthy noted Dallas Jones, of OES, has agreed to request the Governor’s signature on the message page of the document. He said the staff would have a draft message ready for the Commission’s review on May 10.

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Mr. Harry Hallenbeck, consultant, reviewed the “Acknowledgements” page and the “Executive Summary.”

Referring to the matrix on Page 9, Mr. McCarthy noted the “New Construction” title should be changed to “New Buildings.”

Mr. Hallenbeck reviewed the “Vision Statement” and drew attention to the new section on monitoring on Page 13. He explained that the first proposed paragraph was drafted by the staff, and the second alternative was submitted by Commissioner Patwardhan. He suggested deferring discussion of this language to the May 10 meeting so Commissioner Patwardhan would be present.

Chairman Manning recommended referring to the tracking document by its official name in the final version of the *Plan*.

Mr. Hallenbeck noted it might be better to move Commissioner Patwardhan’s paragraph on Page 13 to the tracking document itself rather than keeping it in the “Vision Statement.”

Mr. Hallenbeck reviewed “*The Perspective*” and “*The Benefits*.”

Referring to Page 17, Commissioner Clark recommended replacing “Richter scale” with “magnitude.”

Commissioner Snyder recommended breaking up the long sentence at the beginning of the third paragraph on Page 18.

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Mr. Hallenbeck noted the title of the chart on Page 19 should say “Major” or “Damaging” before “Earthquake Comparison Table.” Commissioner Gates questioned the accuracy of some of the data reported in the table. He suggested adding a footnote indicating some of the figures were not verified. Mr. Bob Anderson, senior staff geologist, observed that other countries have different ways of reporting loss of lives and buildings. Commissioner Clark recommended reducing “1,122,000” damaged buildings under the “India” column to “1,120,000.”

Commissioner Klein commended the Commission and staff for their good work on the *Plan*. He noted the tracking report will be particularly helpful in monitoring progress.

At 11:57 a.m., the meeting was recessed for lunch. The meeting was reconvened at 1:05 p.m.

Mr. Hallenbeck proposed reviewing the initiatives in the *Plan*, starting with the “Geosciences” section.

Commissioner Clark observed that use of “Continue to” weakens the idea behind the initiatives, and he suggested replacing that language with more active terminology. Commissioner Snyder agreed. In Initiative 1.1.3, Commissioner Clark recommended finding another word for “develop.”

Commissioner Snyder pointed out that timeframes are included only for “critically important” initiatives. Mr. Hallenbeck drew attention to the “Date” paragraph on the first page of the “Initiatives” section, numbered Page 22, for an explanation of the rationale.

Commissioner Klein observed that the second sentence of Initiative 1.1.6 appears redundant, and Mr. McCarthy agreed. Commissioner Gates suggested breaking up the long sentence in Initiative 1.1.1 and 1.1.3.



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Mr. Hallenbeck noted the two new initiatives, 1.4.2 and 1.4.3.

Mr. McCarthy said the subcommittees were asking to choose only one “critically important” initiative per element.

Commissioner Chang questioned setting ten-year deadlines for elements of this five-year plan.

Mr. Hallenbeck explained that the dates represent the best estimates based on advice from experts in each field.

Mr. Hallenbeck reviewed the research and technology initiatives.

Commissioner Klein observed that the strategies focus only on state funding. Commissioner Clark explained that *Plan* deals only with funding sources within the state’s control.

Commissioner Chang questioned the use of negative terms such as “outdated” and “ineffective” in the introductory paragraph. Mr. Hallenbeck pointed out the language is used in the problem statement, and subcommittee members agree the characterizations are correct.

Mr. Hallenbeck said the research and technology subcommittee changed two “critically important” initiatives to “very important.” Mr. McCarthy drew attention to 2.1.2, in the staff handout, a new initiative that was not considered by the subcommittee.

Mr. Hallenbeck reviewed the land use initiatives and pointed out the new 5.2.2, 5.2.3 and 5.3.4.

Referring to Initiative 5.3.4, Commissioner Snyder suggested changing “understand” to “recognize.”

Commissioners then reviewed the initiatives for existing buildings. Mr. Hallenbeck noted 6.1.3 and 6.4.9 are new initiatives.

Referring to the introductory page, under the “Upgrade Vulnerable Buildings and Structures” strategy, Commissioner Klein asked why top priority was given to single- and multi-family housing. Commissioner Gates responded that hospitals and schools in California have already been addressed. Mr. Hallenbeck added that the subcommittees focused most of their discussion on housing. He noted there are separate code provisions for essential service buildings.

Commissioner Clark proposing switching the order of buildings in that list so “essential service buildings” comes first.

Commissioner Johnson asked if this section covers foundation upgrades. Mr. Hallenbeck responded that the section deals with upgraded buildings in general.

Mr. McCarthy noted the subcommittee designated two “critically important” initiatives, 6.1.1 and 6.4.3. After some discussions, there was agreement among commissioners to include two “critically important” initiatives for this element.

Mr. Hallenbeck drew attention to the initiatives for new buildings.

Commissioner Mochizuki proposed including parking structures as well.

Commissioner Clark questioned use of “state-of-the-art” in the first paragraph under “Strategies” on the introductory page to this section. He proposed “best available current technology” or “most up-to-date” instead. Chairman Manning asked Mr. Hallenbeck to contact the

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subcommittee chair and refine this language.

Commissioner Chang recommended adding a new initiative to existing buildings to survey and identify vulnerable parking structures. Mr. Hallenbeck suggested adding “including, for example, parking structures” in Initiative 6.4.3. Mr. McCarthy proposed adding parking structures to the list of buildings in the “Upgrade Vulnerable Buildings and Structures” section under “Strategies.”

Commissioner Gates recommended clarifying the “Objective” for “New Buildings” section. Commissioner Snyder suggested expressing the objective in terms of increasing safety or “higher/increased” levels of safety. Mr. Anderson commented that the word “earthquakes” could be eliminated from the first sentence, and commissioners agreed. Mr. McCarthy proposed deleting the first sentence and adding “increase safety” to the remaining language. Mr. Hallenbeck said he would consult the subcommittee chair and revise the “Objective” accordingly.

Mr. Hallenbeck drew attention to the new initiative, 7.3.6. Commissioners decided to replace “jurisdiction” with “local government building department” and insert “appropriately” before “licensed.” Commissioner Clark noted “advise” should be “advice.”

Commissioner Chang observed that Initiative 7.3.1 is an incomplete sentence. Mr. Hallenbeck said he would refine that language.

Mr. Hallenbeck reviewed the initiatives for the utilities and transportation element. Mr. McCarthy drew attention to new Initiative 8.2.2, on the handout, regarding gas shut-off valves.

In Initiative 8.1.1, first sentence, Commissioner Klein proposed adding “system and facilities”

before “design” and “operation” after “maintenance.”

Commissioner Chang recommended retitling the element to “Lifelines” rather than “Utilities and Transportation.” After some discussion, commissioners agreed the “utilities and transportation” terminology was more familiar to legislators and members of the public.

Commissioner Klein noted the California Municipal Utilities Association and other organizations are likely to resist imposition of regulations on unregulated utilities, as recommended in Initiative 8.1.2. He offered to call the association to discuss this issue with them. Mr. Hallenbeck suggested using “encourage” rather than “require.” Chairman Manning suggested that Commissioner Klein and the staff work with the subcommittee chair on that item.

Commissioner Snyder observed that two initiatives were designated “critically important,” 8.1.1 and 8.4.3.

Commissioner Nishinaga spoke in support of making 8.4.3 the “critically important” initiative in this section. Mr. Anderson noted that 8.4.3 responds to the concerns expressed by the California Energy Commission, Public Utilities Commission, and Governor’s office, and this work is already funded. He added that PEER and Caltrans studies are just getting underway.

Commissioner Nishinaga observed that Initiative 8.4.3 supports the first initiative and funding as well. After further discussion, the Commission decided to assign 8.4.3 the first priority for this section.

Mr. Hallenbeck reviewed the preparedness initiatives.

## **VIII. RECESS**

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Mr. McCarthy distributed copies of a prioritized list of expenditures recommended by the staff. He asked commissioners to review the categories and be prepared to discuss the list the next day. He recommended adding additional funds for ELRP outreach and Web page enhancements.

Commissioner Snyder urged new commissioners to make Sacramento hotel reservations early.

Mr. McCarthy invited commissioners, staff, and audience members to a reception at the Commission offices following the meeting.

At 2:55 p.m., the meeting was recessed, to be reconvened the following day, May 10, 2001, at the State Capitol.

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Seismic Safety Commission

Minutes of Regular Meeting/Workshop - May 9 and 10, 2000

Room 444, State Capitol

Sacramento, California

May 10, 2001

**Members Present**

Donald O. Manning, Chairman  
William L. Gates (arr. 9:12 a.m.)  
Jerry C. Chang  
Mark M. Church  
Bruce R. Clark  
Scott P. Haggerty  
Jeff Johnson  
Lawrence T. Klein  
Douglas E. Mochizuki  
Stan Y. Moy  
Linden T. Nishinaga  
Ashok S. Patwardhan  
Patricia Snyder

**Members Absent**

Daniel Shapiro, Vice Chairman  
Andrew Adelman  
Senator Richard Alarcon/Chris Modrzejewski  
Scott P. Haggerty

**Staff Present**

Richard McCarthy  
Robert Anderson  
Karen Cogan  
Henry Sepulveda  
Henry Reyes  
Fred Turner

**IX. RECONVENE**

Chairman Manning reconvened the meeting/workshop at 9:02 a.m.

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### **V. LEGISLATIVE UPDATE (Continued)**

Commissioner Church recommended that the Commission change its “oppose” position on SB 842, Senator Speier’s deadline extension for hospitals, to “support if amended.”

Mr. Sepulveda explained that SB 842 as originally written would have eliminated the 2008 retrofit deadline; the bill was amended to provide a five-year extension, to 2013. He noted the Seismic Safety Commission’s position on similar legislation has been to oppose extensions, or to work to add amendments requiring ongoing monitoring and progress benchmarks as a condition of eligibility. Mr. Sepulveda said the Commission voted to establish a committee to develop an appropriate policy regarding all SB 1953 legislation.

Commissioner Church expressed his opinion it was premature to take an “oppose” position on the Speier bill, and he suggested waiting to hear the outcome of the committee’s deliberations.

**ACTION:** Commissioner Church made a motion, seconded by Commissioner Haggerty, that:

*The Commission adopt a “support if amended” position on SB 842.*

Commissioner Haggerty asked how AB 656 (Chan) differs from SB 842. Mr. Sepulveda responded that the AB 656 extends the 2002 deadline for hospitals in Alameda County to make up for OSHPD delays, and the Commission voted to adopt a “watch” position on that bill.

Commissioner Haggerty noted a “support if amended” position might be appropriate for AB 656 as well.

Commissioners discussed the distinction between an “oppose unless amended” and “support if amended” position.

Commissioner Clark pointed out that studies indicate 40 percent of California's hospitals are having similar problems meeting SB 1953 deadlines. Mr. Sepulveda agreed, but observed that AB 656 is the only bill to emerge so far. Chairman Manning recommended that the Commission wait for a definite policy before declaring a "support if amended" so that a consistency is maintained.

Commissioner Church expressed his opinion that it was premature for the Commission to take an "oppose" position and that a positive approach would be more conducive to working with legislators. Mr. Sepulveda pointed out that the Commission will have opportunity to provide additional feedback as the bill progresses through the legislative hearings.

Mr. McCarthy noted the Commission's current position on SB 842 was "oppose unless amended."

- \* Motion carried, 6 - 3 - 3 (Commissioners Chang, Manning, and Patwardhan opposed; Commissioners Clark, Moy, and Klein abstaining).

Commissioner Chang pointed out that by voting to "support if amended," the Commission will not be able to withdraw support later; he added a "watch" position would be better.

**ACTION:** Commissioner Haggerty made a motion, seconded by Commissioner Moy, that:

*The Commission adopt a "support if amended" position on AB 656.*

Commissioner Snyder noted AB 656 proposes a one-year extension because of OSHPD's delays in approving plans. Commissioner Mochizuki said he supported the motion. He noted the



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process of applying for funding, getting plan approval, and starting construction is very slow, and he questioned whether the timeframes and schedules in the proposed legislation were realistic.

Commissioner Gates observed that the Commission had previously taken a “watch” position on AB 656, not “oppose.” He pointed out that a “support if amended” position requires the Commission to propose specific amendments to make the bill acceptable. He expressed reluctance to adopt that position without knowing the proposed amendments. Commissioner Klein said he shared Commissioner Gates’ concern.

Commissioner Haggerty amended his motion, and the amendment was approved by Commissioner Moy, to adopt a “support” position on AB 656.

\* Motion carried, 9 - 3 (Commissioners Chang, Clark, and Nishinaga opposed).

Commissioner Snyder noted the Commission should adopt other positions consistent with this stance. Mr. Sepulveda said the staff will alert the Commission to all new bills concerning hospitals.

Commissioner Klein suggested that the Commission take a position encouraging OSHPD to expedite the approval process. Commissioner Haggerty commented that this would be an appropriate topic for Commission discussion at a future meeting. He added the Commission also needs to be sensitive to the constraints and cost impacts on counties.

Chairman Manning observed that the Seismic Safety’s Commission’s charge is to consider ways of protecting life safety and property, but economic considerations should not enter into that equation. Commissioner Haggerty stated the state cannot continue to impose unfunded mandates on counties while depriving local governments of viable funding streams. Commissioner Church

agreed, and expressed his opinion that there was nothing precluding the Commission from considering economic factors. Commissioner Haggerty added that 95 percent of each county's budget is categorized, and the remaining 5 percent of uncategorized funds is insufficient to handle the tasks required.

Commissioner Clark said he understood the importance of economic factors, but the Seismic Safety Commission's key role is to identify the best way for the state to respond to seismic risks. He questioned the need for a policy committee if economics are being taken into consideration.

Commissioner Klein suggested that a better approach might be to advise the state to place a higher priority on funding OSHPD and county programs. In particular, he urged the Commission to work to get more money for counties.

Commissioner Clark emphasized the seismic safety of hospitals is of the utmost importance for California, and the Seismic Safety Commission is already on record supporting retrofit. He noted the magnitude of the economic impact appears to be huge, estimated at \$10 billion to \$24 billion in hospital upgrades. He added that OSHPD is only a minor part of this problem.

Other commissioners supported the idea of working with legislators to assist with county funding problems. Commissioner Mochizuki asked about the schedule for introducing new bills. Mr. Sepulveda responded that bills are introduced in February, but then significant changes can be made as the bill progresses through the Legislature.

## **X. COMMITTEE REPORTS**

### **Budget and Planning Committee**

## **Regular Meeting Minutes**

Executive Director Richard McCarthy reviewed the list of possible end-of-year expenditures proposed by the staff. He estimated a surplus of \$192,000 is likely, but that figure could change depending on the results of the FEMA audit and whether the Commission wants to make a repayment.

Commissioner Gates spoke in opposition to repaying any amount to FEMA to make adjustments in the Commission's "soft dollar" match of commissioner time and energy on the Northridge earthquake report. He suggested appealing the FEMA decision if necessary.

Commissioner Gates questioned the staff's estimate for computer equipment. Executive Assistant Karen Cogan explained that the estimate is based on purchasing all Pentium 4 computers and a server with higher specifications. Chairman Manning noted the Budget and Planning Committee had a long discussion with the staff about the office's computer needs. He suggested including funds for a GPS adaptor for Palm Pilots. He also recommended moving Items 15 and 16 to a higher priority, or 10a and 10b on the expenditure list.

Mr. McCarthy said the staff proposes making all Priority 1 expenditures first, and then working on the Priority 2 list.

Mr. McCarthy noted the SDSU Web page team will be coming back to the June meeting with detailed estimates of Web page enhancements. He said the proposed list identifies \$13,000 for the Web page under Priority 2, but that amount can be adjusted at the June meeting.

Mr. McCarthy recommended that the Commission authorize the staff to make year-end expenditures based on the proposed priority list. Commissioners agreed to reserve \$10,000 for a possible FEMA repayment. Commissioner Gates suggested recommending that FEMA seek to recover any repayment from the \$160,000 appeal award that went to the state general fund.

**ACTION:** Commissioner Snyder made a motion, seconded by Commissioner Chang, that:

*The Commission approve the budget concept and priorities developed by the staff and delegate authority to the Planning and Budgeting Committee to authorize expenditures.*

Mr. McCarthy recommended amending the motion to clarify that no FEMA repayment money would be reserved and that expenditures can be authorized without coming back to the full Commission for approval.

Commissioners Snyder and Chang agreed to incorporate that amendment in the motion.

\* Motion carried, 12 - 0.

#### **Ad Hoc Committee on Earthquake Safety Issues for Natural Gas Systems**

Commissioner Moy reported that the ad hoc committee on gas shutoff valves held its first organizing meeting and plans four more meetings by the end of the year. He referred to the materials under Tab I of the meeting packet for more details. Commissioner Moy said the committee will be producing a one- to two-page information document to be included in the Commission's *Homeowner's Guide to Earthquake Safety* as well as a 30- to 40-page supporting document.

**ACTION:** Commissioner Moy made a motion, seconded by Commissioner Haggerty, that:

*The Commission approve the committee's action plan and proposed members.*

## **Regular Meeting Minutes**

Chairman Manning suggested adding Commissioner Klein to the group. Commissioner Moy noted Doug Honegger is organizing and facilitating the committee meetings, and he welcomed assistance from other commissioners. Mr. McCarthy noted committee meetings are open to the public. He encouraged interested commissioners to attend. Staff Structural Engineer Fred Turner added that the staff is voluntarily complying with the notice requirements of the open meeting law.

Commissioner Chang asked whether the Seismic Safety Commission will be expected to contribute any funds. Commissioner Moy responded that Southern California Gas and PG&E are each providing \$20,000, leaving another \$10,000 to be raised from other sources.

Commissioner Chang asked whether the committee reports will be published by ASCE or the Seismic Safety Commission. Commissioner Moy said the Commission will adopt and publish the documents. Mr. McCarthy added that the utility companies are seeking an unbiased report from the Commission.

\* Motion carried, 11 - 0 (Commissioner Church absent during voting).

Commissioner Haggerty clarified that the motion included appointment of Commissioner Klein to the ad hoc committee.

## **XI. EARTHQUAKE LOSS REDUCTION PLAN REVISION WORKSHOP (Continued)**

Mr. Hallenbeck suggested that the Commission revisit Page 13 of the “Vision Statement” to discuss the alternative language for the new section on monitoring. He proposed moving the paragraph submitted by Commissioner Patwardhan to the tracking document instead.

Commissioner Clark noted that Page 20, before the “Conclusion,” might be a better place.

Commissioner Patwardhan stated that the economics subcommittee recommends inclusion of the language in the vision statement. He noted the economics element of the *Plan* supports and overlaps the other elements, and the initiatives should all focus on cost-effectiveness and simple monitoring procedures. He emphasized the importance of monitoring progress and using the results as part of the Commission’s overall vision for the *Plan*.

Mr. Hallenbeck questioned the supportability of the statement that measurable milestones can be developed. Commissioner Clark said he had the same reaction; he asked whether appropriate milestones have already been identified or whether they would need to be created. Mr. Hallenbeck noted the other subcommittees tried to avoid identifying specific milestones. He proposed rewording the first sentence to say, “The progress on the achievement of these goals should be monitored and reported on a regular basis by tracking measurable progress.” He recommended replacing the word “microzonation” in the next sentence to “mapping.”

Commissioners agreed to retitle the section “Making Progress.”

Mr. Hallenbeck suggested the last sentence could be developed into a stand-alone initiative. He said the staff will come back with proposed language.

Commissioner Patwardhan recommended adding to the first sentence that the tracking document will also be posted on the Commission’s Web page.

Mr. McCarthy proposed “Initiative Tracking Report” as the official name of the tracking document. Commissioner Clark suggested “Tracking the Progress.”

## **Regular Meeting Minutes**

Mr. Hallenbeck and commissioners reviewed the initiatives in the emergency response section.

Mr. Hallenbeck pointed out that Initiatives 10.3.4 and 10.3.5 were new.

Commissioner Chang suggested changing the language under “Objective” to “To improve” rather than “To seek continual improvement.”

Commissioner Snyder proposed changing the timeframe for Initiative 10.1.1 to three years instead of five. Chairman Manning said he believed three years would be acceptable.

Commissioner Nishinaga recommended deleting “well-organized” from Initiative 10.4.3, and other commissioners agreed.

Mr. Hallenbeck noted that Initiatives 10.5.1 and 10.5.2 should be renumbered and included in the 10.4 section.

Commissioner Chang expressed his opinion that Initiative 10.5.1 should be designated as “critically important.” After some discussion, commissioners decided to leave 10.1.1 as the “critically important” initiative for this section.

Commissioners then reviewed the recovery initiatives.

Commissioner Snyder noted the subcommittee chose two “critically important” initiatives, 11.1.1 and 11.2.1. After some discussion, commissioners decided that 11.1.1, regarding a statewide disaster plan, should be “very important” and 11.2.1 should remain “critically important.”

Referring to 11.1.1, Mr. McCarthy suggested changing “Strategic” to “Disaster” to match the title used in the pending legislation. Mr. Hallenbeck suggested including “Strategic” before

“Statewide.” Commissioners agreed.

Commissioner Chang proposed deleting “alternative” from 11.1.2 so it reads, “Identify and secure funding sources.” He also suggested changing “disaster” to “earthquake.” Commissioner Snyder noted the *Plan* is being used by FEMA as a model for other states, so its provisions should be applicable to all disasters. Other commissioners agreed.

Mr. Hallenbeck drew attention to the initiatives for education and information.

Commissioner Klein suggested deleting “all” from the first sentence in the first strategy. Commissioner Moy agreed.

Mr. Hallenbeck noted the two alternatives for the “Incentives” section. There was general consensus among commissioners to use the second alternative. Mr. Hallenbeck suggested changing “spiritual” to “ethical.” Commissioner Snyder recommended beginning the last sentence with “There is” instead of “We have,” and she suggested deleting “our” before “efforts.” Other commissioners approved these changes.

Mr. Hallenbeck said 3.2.3, 3.2.4, 3.2.5, and 3.3.3 were new initiatives.

Commissioner Nishinaga commented that “homeowner” should be one word in Initiative 3.2.3.

Commissioner Clark drew attention to Initiative 3.2.1 and asked about its target audience. Commissioner Moy explained the intent was to focus on facilities managers, a neglected group. Commissioner Snyder recommended deleting the last sentence. Chairman Manning proposed inserting “for those responsibility for facilities operations and management” after “tools” at the end of the first sentence.



## **Regular Meeting Minutes**

Commissioner Klein commented that Initiative 3.1.1, requiring continuing education for professionals, constitutes a significant change in current practice. Mr. Hallenbeck confirmed that the intent of the initiative was to require continuing education, although this requirement may not be favored by some licensing boards. Commissioner Chang recommended including “inspection” after “”design.”

Referring to Initiative 3.3.1, Commissioner Haggerty recommended adding “community-based organizations” after “institutions.”

Mr. Hallenbeck reviewed the economics initiatives and the proposed Governor’s message.

Mr. McCarthy said the staff will present a revised *Plan* and a draft tracking document for the Commission’s review and approval at the next meeting.

Commissioner Snyder thanked commissioners for their hard work on the revisions.

### **V. LEGISLATIVE UPDATE (Continued)**

Mr. Sepulveda reported that he had been unable to obtain a response to the Commission’s question regarding whether AB 419 pertains to bridges, so the staff recommends an “oppose if amended” position with the understanding staff will seek amendments to add independent inspection and review requirements. If it turns out bridges are excluded, the staff recommends adopting a “watch” position.

Regarding SB 842, Senator Speier’s staff indicates the Committee on Insurance and Health will be holding a joint hearing May 16 regarding SB 1953 issues. Mr. Sepulveda recommended that a

commissioner attend that hearing.

Commissioner Haggerty said he understood AB 419 was intended to apply only to the BART extension project in Alameda and Santa Clara Counties. He asked what position was being recommended by the staff. Mr. Sepulveda recommended “oppose unless amended.”

Commissioner Haggerty observed that design-build projects are still inspected and are required to meet applicable codes, and he questioned the basis for the Commission’s opposition. Mr. Sepulveda explained that in previous discussions of design-build bills, commissioners have expressed concern about weaker accountability and inspection provisions. Commissioner Haggerty suggested revisiting the issue, and Commissioner Church supported that idea.

Commissioner Snyder noted the Commission has historically taken strong positions on any bills that jeopardize seismic safety in California’s schools, and quality assurance is a major concern with design-build projects. Commissioner Chang added that the collapse of the CSU Northridge parking structure was related to weaknesses in the design-build process; he noted each project needs an independent review. Commissioner Clark explained that a key feature of a design-build contract is that the design team works for the contractor rather than the owner. He noted that independent review and inspection can be required as a safeguard. Commissioner Klein supported the concept of independent review and inspection. He noted that in a manufacturing environment, quality control does not report to production. He added that Caltrans has an independent review system for the projects it designs and builds.

**ACTION:** Commissioner Haggerty made a motion, seconded by Commissioner Klein, that:

*The Commission adopt a “support if amended” position on AB 419 and seek amendments requiring independent plan check and inspection.*

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Mr. Sepulveda pointed out that a “support if amended” position would commit the Commission to supporting the bill if the requested amendments are added; he questioned whether the Commission wanted to make such a commitment on this design-build bill. Commissioner Clark questioned whether the Commission should support the design-build concept at all. Mr. Sepulveda added that Commissioner Shapiro has strong feelings on this topic. Chairman Manning suggested a presentation and discussion on the design-build process at a future Commission meeting.

Commissioner Klein expressed his reluctance to take a position indicating the Commission’s support for the design-build concept and that particular BART extension project. Commissioner Haggerty acknowledged that it would be best to consult with the Alameda County Transportation Authority and other groups. He withdrew his motion and requested that the design-build concept be agendaized for discussion at the next meeting.

\* Motion withdrawn.

ACTION: Commissioner Clark made a motion, seconded by Commissioner Nishinaga, that:

*The Commission adopt a “watch” position on AB 419.*

Mr. Sepulveda noted the Commission previously took “oppose unless amended” positions on other design-build bills; he recommended changing those to “watch” as well.

\* Motion carried, 6 - 4 - 1 (Commissioners Chang, Klein, Manning, and Snyder opposed; Commissioner Mochizuki abstaining; and Commissioner Gates absent during voting).

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Commissioner Haggerty noted that if the Commission believes independent oversight it essential, the Commission should weigh in and express that opinion publicly; he noted an “oppose” position does not provide that opportunity. Commissioners agreed that more information was needed to develop a solid long-term policy on design-build issues; they concluded it would be best to refrain from taking any definite position on these bills pending further deliberation. Mr. McCarthy recommended taking a consistent position on all design-build bills.

**ACTION:** Commissioner Clark made a motion, seconded by Commissioner Snyder, that:

*The commission adopt a “watch” position on all design-build bills pending development of a Commission policy.*

- \* Motion carried, 8 - 1 - 2 (Commissioner Chang opposed; Commissioners Nishinaga and Patwardhan abstaining).

Commissioner Haggerty suggested that the staff contact the Alameda County Transportation Authority and the Valley Transportation Authority for their input before the June meeting. Commissioner Patwardhan recommended inviting the authors of the design-build bills to be present during the Commission’s discussions. Commissioner Snyder asked the staff to send copies of the June meeting agenda to legislators.

## **XII. MISCELLANEOUS/GOOD OF THE MEETING**

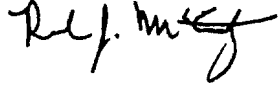
There were no items brought to the Commission’s attention.

## **XIII. ADJOURN**

## Regular Meeting Minutes

There being no further business, the Commission meeting was adjourned at 12:40 p.m.

Approved by:

A handwritten signature in black ink, appearing to read "R. McCarthy", written over a horizontal line.

Richard McCarthy

Executive Director